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DCI/RM 78-4007

22 November 1978

25X1 MEMORANDUM FOR: [redacted]
Acting Director, Program Guidance Office

25X1 FROM: [redacted]
Director, Program and Budget Office

SUBJECT: DCI Annual Report

1. In response to your memorandum, Serial DCI/ICS 78-1205, concerning input for the DCI annual report, and subsequent discussions by members of my staff with your action officer [redacted] I understand we have reached agreement on what inputs PBO will provide for use in the development of the report. 25X1

- First, I have informed my Program Monitors that as [redacted] completes sections of the report dealing with budgetary matters, she will discuss her draft text with the concerned Monitor. [redacted] 25X1 25X1 [redacted] and I will review all of the final drafts. 25X1

- Second, I have asked the Chief of the Data Support Group to prepare a set of budgetary graphics and additional displays from CIRIS for your use, if you wish, within the report.

- Third, I have asked [redacted] to directly contact [redacted] concerning your request for more data on IRA, the FBI's counterintelligence program and the State INR program. 25X1 25X1

- Fourth, the following comments are appropriate to the paragraphs where [redacted] has indicated she would like PBO views: 25X1

  a. Paragraph 2: "We will rely on you for our principal guidance on calendar 1978 experience in use of the DCI's budget authority. How has it worked out in practice?"

  During 1978 we have completed the transition to budget development using the new DCI authorities as outlined in E.O. 12036 and have encountered little resistance either in Community acceptance or in compliance with the new centralization of budget authority in the DCI. This new authority has given the DCI more real control in the formulation of the NFIP program and, as a commendable side effect, has promoted a Community spirit for developing the best overall NFIP for Executive and Congressional consideration, regardless of which component receives the major emphasis.

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There are, of course, certain areas of E.O. implementation which are still being developed and which pertain to DCI and departmental responsibilities. The most pressing is to establish a viable dimension concerning the role of the DCI in budget execution. Though the E.O. assigns the DCI with central budget authority, it does not define that budget execution is the sole responsibility of the DCI. Rather, the E.O. describes DCI monitorship of budget implementation, but indicates that the day-to-day operation and administration of the NFIP components remain within the particular departments. Thus a certain ambiguity exists as to DCI authority in budget execution.

The concentration in both program and budget development on scrubbing the big dollar items does translate into general NFIP effectiveness. The proposed acquisition of large systems must be reviewed carefully due to the dollar amounts involved and the future commitment of spending streams. However, this does not mean that the rest of the NFIP programs, both sustaining and proposed, do not receive a thorough review. Though not of issue proportions, these items are examined carefully and where not justified are recommended to the DCI for rejection. In general, the DCI has sustained such RMS recommendations.

In our relations with other members of the Executive, as well as the Staffs and members of Congress, we have found that there is no single way of presenting our programs. Each presentation, either written or oral, to some extent must be tailored to the particular audience, must be complete and factual, and non-contradictory between its components.

The new E.O. has provided for enhanced DCI influence and authority within the Intelligence Community. This year we have noted a more general acceptance of DCI budgetary decisions. The climate this year has been one of tacit acceptance and extensive cooperation.

b. Paragraph 3: "...what would we propose the DCI say in his annual report about his experience with his new budget authority..."

We suggest that a short statement be made by the DCI indicating that the new E.O. has aided in promoting fuller Community cohesiveness regarding NFIP budget development. That centralizing the budgetary authority within the NFIP is permitting a closer examination of the many parts of the Foreign Intelligence Program and ensuring that programs which are submitted for review are non-duplicative and which, if approved, provide for a tangible improvement in our intelligence process.

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25X1 2. If we may be of any further assistance, please contact [redacted] 25X1
[redacted] of my staff.

25X1 [redacted]

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